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October 21, 2005

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92**

Dear Ms. Dortch:

On October 21, 2005, Amy Rosenthal, Sandy McMurtry, Jonathan Smith, Bill Munsell and the undersigned of Verizon, met with Tamara Preiss, Randy Clarke, Steve Morris, Chris Barnekov and Jay Atkinson of the Wireline Competition Bureau to discuss Verizon's response to the "phantom traffic" claims raised by Cavalier's September 28, 2005 ex parte. Verizon's comments were consistent with the attached hand-outs which were used as a basis for discussion in the meeting.
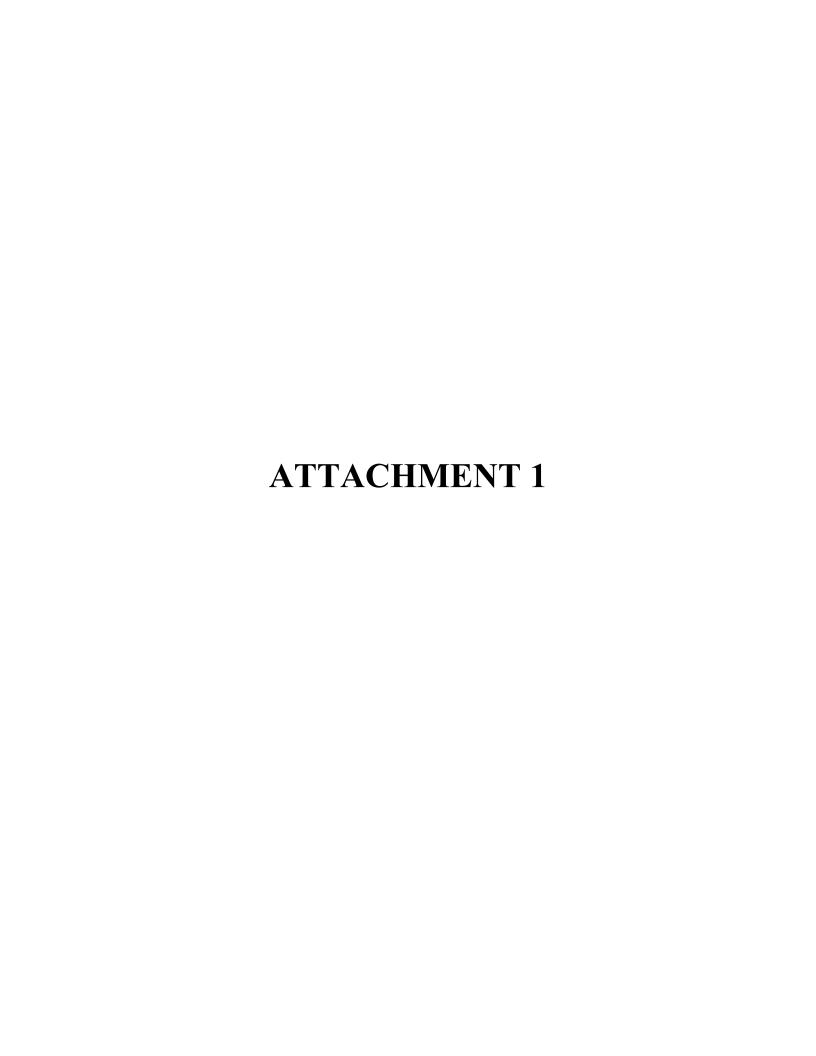
Sincerely,

Donna Epps

Attachments

cc: Tamara Preiss
        Steve Morris
        Randy Clarke
        Chris Barnekov
        Jay Atkinson

ATTACHMENT 1

"Phantom Traffic" And Cavalier's Billing Claims

October 21, 2005

Cavalier's Complaints Support Verizon's Position On Phantom Traffic

- So-called "phantom traffic" can be appropriately billed through proper use of terminating access records and methods such as factoring.

- Cavalier has filed complaints before three state commissions claiming that traffic transited by Verizon is "unbillable" because of "phantom traffic".

- To the contrary, Cavalier's claims illustrate the fact that what is often labeled "phantom traffic" is billable.

Cavalier's Complaints Support Verizon's Position On Phantom Traffic

- ◆ **Cavalier's own study of transit traffic from Verizon indicated that 99.38% of Verizon's terminating access records identified the carrier responsible for payment.**

- ◆ **Once Verizon has identified the carrier responsible for payment, the terminating carrier can and should resolve any remaining billing issues (such as questions regarding the jurisdiction of traffic) directly with the responsible carrier.**

Cavalier's Claims

- **Cavalier's claims can be grouped into two main categories:**

  - Cavalier claims that traffic is routed on inappropriate trunks.

  - Cavalier claims that it cannot reconcile Verizon's terminating access records with Cavalier's own records.

- **Cavalier receives traffic from Verizon over two types of trunks: local interconnection trunks and access trunks.**

  - Traffic that Verizon receives at its access tandem from interexchange carriers (IXCs) is routed on access trunks

  - All other transit traffic Verizon receives is routed on local interconnection trunks

  - Verizon-originated local and intraLATA traffic that is not handled by an IXC is properly delivered on local interconnection trunks

Routing Of Traffic Background

- ◆ **When Verizon serves as a transit provider, its routing of traffic is determined by routing decisions made by third parties earlier in the call path:**

  - Traffic that may appear "long distance" based on the calling party's telephone number (CPN) may be delivered over local interconnection trunks

  - Traffic that may appear "local" based on its CPN may be delivered over access trunks

Routing Of Traffic
"Local" Traffic on Access Trunks

- **Traffic that may appear "local" based on its CPN may be delivered over access trunks**
  - Customers may route outgoing calls directly to an IXC, even though the call would be local
    - End users may dial 10-10-XXX or use a prepaid calling card even though not necessary
    - Business customers may purchase dedicated access to an IXC
    - PBX customers may intentionally or accidentally program their PBX to route local calls to their IXC
  - The IXC delivers the call on an access trunk to Verizon's tandem
- **Verizon provides a terminating access record for this transit traffic, which identifies the IXC responsible for payment**

Verizon's Billing Records
Identifying Traffic Billable to Verizon

- Step 1. Use Verizon-provided terminating access record (EMI) to bill third party carriers as shown on the EMI record.
- Step 2. Compare EMI record to terminating carrier's own call record. For each call on the terminating carrier's own call record, ask: Does the call appear in both places?
  - If yes: The call was already billed in Step 1, and billing for this call is complete. Cross call off of terminating carrier's call record to prevent double billing.
  - If no: Proceed to Step 3.
- Step 3. For each call *remaining* on the terminating carrier's own call records, ask: Is there a CPN, CN, or originating LRN present?
  - If no: The call is presumptively billable to Verizon. (If calls in this category exceed a certain threshold, Verizon will conduct its own investigation).
  - If yes: Look up the originating CPN, CN and/or originating LRN in the LERG to identify the carrier associated with that CPN, CN and/or originating LRN and proceed to Step 4.
- Step 4:
  - If lookup indicates a local call originating with a carrier other than Verizon, bill that carrier.
  - If lookup indicates a local call originating with Verizon, bill Verizon.
  - If lookup indicates an intraLATA toll call originating with Verizon, presumptively bill Verizon. (If calls in this category exceed a certain threshold, Verizon will conduct its own investigation).
  - If lookup indicates an interLATA toll call, go to Step 5.
- Step 5: Any calls that make it to Step 5 should be brought to Verizon's attention for further review.

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Verizon's Billing Records
Comparing Call Records

- ◆ **Terminating carriers must take care in comparing tandem-provided terminating access records to their own records.**

- ◆ **There are substantial differences between terminating access records and SS7 records, including:**

  - • <u>Designed for billing</u>: Terminating access records are designed for billing; SS7 records are not.

  - • <u>Call attempts</u>: Terminating access records do not record incomplete call attempts, which are not billable; SS7 records will show call attempts.

  - • <u>Long-duration calls</u>: Terminating access records will show a > 24 hour call as multiple calls; SS7 will show this as a single call.

  - • <u>Timing</u>: Terminating access records and SS7 record calls in different time increments, which can result in differences at rounding. There may be slight variations between the internal clocks in each piece of recording equipment.
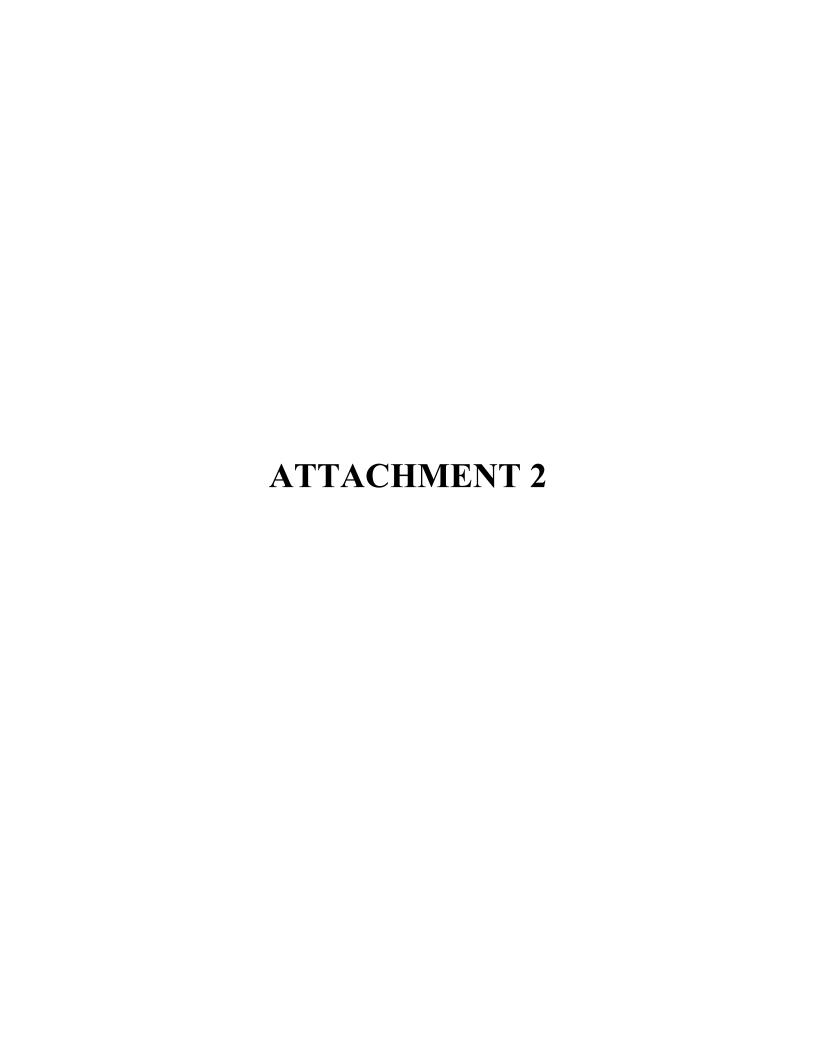
ATTACHMENT 2

Cavalier Telephone, LLC
Exhibit 1: Cavalier Switch Information Inadequacies
Data Sources: Cavalier Switch Data

> **CIC is not normally signaled and only relevant for equal access on origination**

Example A

A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN
7873825942	-	8568519990	8566926790	7/31/2005 23:40:44	21.6		787382	4823

Issue:
No CIC in Cavalier Switch data
Call from Puerto Rico to New Jersey

> **OCN is never signaled. Cavalier derived the OCN.**

Example B

A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN
-	-	8044239990	8047941669	4/28/2005 0:26	31		-	-

Issue:
No CIC in Cavalier Switch data
Cavalier Switch data has both A_NUM and C_NUM missing

> **Tandem providers do receive traffic with missing or invalid CPN/CN. Verizon passes on what it receives.**

Example C

A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN
3000000004	-	2677089990	2156461768	4/28/2005 10:09	423		-	-

Issue:
No CIC in Cavalier Switch data
Cavalier Switch data has invalid data for A_NUM and C_NUM is missing

Definitions

Heading	Definition
A_NUM	CALLING NUMBER
B_NUM	CALLED NUMBER
C_NUM	CHARGED NUMBER
GAP	GENERIC ADDRESS PARAMETER - DIALED NUMBER
ORIG_DATE	ORIGINATION DATE AND TIME FOR CALL
DURATION	BILLABLE DURATION OF CALL IN SECONDS
CIC	CARRIER IDENTIFICATION NUMBER
OOCN	ORIGINATING OPERATING COMPANY NUMBER
OLRN	ORIGINATING LOCAL ROUTING NUMBER
OPC	ORIGINATING POINT CODE
CLLI	CODE COMMON LANGUAGE LOCATION IDENTIFIER

Cavalier

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Exhibit 2: Misrouted Traffic Examples by Verizon
Data Sources: Cavalier Switch Data and EMI Meet Point Files Delivered from Verizon

No LNP Query by the IXC

Example A

Data Source	A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN	OPC	CLLI
Cavalier	7038230889	7038230889	8044229990	8047406349	7/31/05 23:49	12.9	-	703212	9213	246.195.25	RCMDVAGKDS0
Meet Point	7038230889		8047406349		7/31/05 23:48	12.9	6963	703823	9213		

Issue:
IXC carried call delivered to Cavalier over End Office Trunking
RCMDVAGKDS0 is 1301 GASKINS RD

Call Attempts

Example B

Data Source	A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN	OPC	CLLI
Cavalier	8047454884	-	8044229990	8043643588	8/1/05 14:41	0.02	-	804745	9213	246.195.40	RCMDVAIT76T
Cavalier	8045301379	-	8044275716	-	8/1/05 16:16	0.02	-	804530	9213	246.195.40	RCMDVAIT76T
Cavalier	8042259092	727	8044259990	8047687655	8/1/05 18:58	0.02	-	804225	9213	246.195.40	RCMDVAIT76T

Issue:
Verizon Local call delivered to Cavalier over IXC Trunk Groups
RCMDVAIT76T is at 2510 TURNER RD in Richmond - IXC Tandem

Calls routed by calling party directly to an IXC

Definitions

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ORIG_DATE	ORIGINATION DATE AND TIME FOR CALL
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OPC	ORIGINATING POINT CODE
CLLI	CODE COMMON LANGUAGE LOCATION IDENTIFIER

Cavalier TELEPHONE

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Exhibit 3: Verizon SS7 Comparison to Verizon Meet Point
Data Sources: Verizon SS7 and Verizon Delivered Meet Point
April 28th Traffic Date

> **SS7 Data is NOT billing data**

> **InterLATA is the only category where an EMI record is expected**

Verizon Rate Category	Total Billed Minutes	Non-Matched to Meet Point	Percentage of Meet Point NOT Delivered to Cavalier
INTERLATA_ACCESS	**1,185,303.66**	**103,311.32**	**9%**
INTRALATA_ACCESS	240,989.17	163,637.56	
INTRALATA_TRANSIT	**1,651,751.80**	**332,388.02**	**20%**
LOCAL	3,871,038.32	3,629,241.43	
MISSING	105,306.97	53,510.16	51%
NOCPN	259,841.97	98,552.78	38%
NULL	23.98	23.98	100%
Total of All Types	7,314,255.88	4,380,665.26	
Total Meet Point Related	3,202,228.39	587,786.27	18%

Issue

Verizon supplied SS7 when matched with EMI delivered to Cavalier

Specific volumes of Verizon SS7 not matched to delivered EMI

Categories of non-matched data are for calls that would never be carried by Verizon LEC

Shows estimation of non delivered EMI by Verizon

Cavalier TELEPHONE

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Exhibit 4: Call Data Inconsistencies Between Verizon Meetpoint and Cavalier Switch Data

Data Sources: Cavalier Switch Data and EMI Meet Point Files Delivered from Verizon

Consistent with call records that VZ bills

76.66% can determine jursidiction

Example A

Source	Call Jurisdiction Review from Verizon Meet Point	Minutes	Percentage
Verizon Meet Point Files Dated June 2005	Cannot Determine Jurisdiction of Call, Missing From Number and Orig LRN	14,917,529	23.34%
	Can Determine Jurisdiction of Call, Missing From Number but Have Orig LRN	20,183,424	31.58%
	Can Determine Jurisdiction of Call, Have Both To and From Number	28,812,143	45.08%
	Total	63,913,096	

Issue
Over 50% of data provided by Verizon does not contain valid information to determine jurisdiction of a call

Example B

Source	A_NUM	C_NUM	B_NUM	GAP	ORIG_DATE	DURATION	CIC	OLRN	OOCN
Cavalier	7032971228	-	2024549991	2022160668	8/1/05 14:58	9.0	-	703906	6232
Meet Point	0000000000		2022160668		8/1/05 14:57	9.0	0000	703906	6232

Issue:
Call on Meet point does not have From Number populated
Cavalier Switch Data for same call shows value

This is a CMRS provider. Jurisdiction of CMRS traffic cannot by determined by comparing calling/called numbers

Definitions

Heading	Definition
A_NUM	CALLING NUMBER
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GAP	GENERIC ADDRESS PARAMETER - DIALED NUMBER
ORIG_DATE	ORIGINATION DATE AND TIME FOR CALL
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CIC	CARRIER IDENTIFICATION NUMBER
OOCN	ORIGINATING OPERATING COMPANY NUMBER
OLRN	ORIGINATING LOCAL ROUTING NUMBER
OPC	ORIGINATING POINT CODE
CLLI	CODE COMMON LANGUAGE LOCATION IDENTIFIER
BSA	BSA / FGA ACCESS NUMBER - EMI
OLRN	ORIGINATING LOCAL ROUTING NUMBER
OOCN	ORIGINATING OPERATING COMPANY NUMBER

Cavalier
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Exhibit 4b: Call Data Inconsistencies Between Verizon Meetpoint and Cavalier Switch Data
Data Sources: Cavalier Switch Data and EMI Meet Point Files Delivered from Verizon

Example C

Source	TYPE	DATE	A_NUM	B_NUM	DIR	CIC	BSA	OLRN	OOCN
Verizon Meet Point	110101	050322	0000000080	8044314005	2	0000	8045061111	000000000	4860
	110101	050322	0000000000	8044593225	2	0000	8045061111	000000000	4860
	110101	050322	0000000000	8049651772	2	0000	8045061111	000000000	4860
	110101	050322	0000000080	8047466015	2	0000	8045061111	000000000	4860
	110101	050322	0000000080	8043462599	2	0000	8045061111	000000000	4860
	110101	050322	0000000080	8045202786	2	0000	8645061111	000000000	4860

Issue
Calls have no From Number, No OLRN
BSA Field is invalidly populated with Telcov LRN
Verizon admitted error in derivation stating traffic belongs to Omnipoint

Example D

Source	Call Type	Date	ANUM	BNUM	DIR	CIC	BRAO	BSA	OLRN	OOCN
Verizon Meet Point	110120	050817	8042268189	8043558757	2	5158	A78	0	8042260000	9213
NJT.MPT.VA.050822	110120	050816	8042886799	8047265788	2	948	A78	0	8042380000	9213
	110120	050817	8045563359	8047987242	2	222	A78	0	8042380000	9213
	110120	050817	8048191954	8047436493	2	5230	A78	0	8046490000	9213
	110120	050817	8042900103	8047842200	2	5119	A78	0	8047470000	9213
	110120	050817	8043799815	8045261111	2	432	A78	0	8048970000	9213

Issues
From Number owned by Verizon
Call is local in jurisdiction
EMI shows IXC carrier delivering the call to Verizon to terminate to Cavalier
Without EMI, would have billed this call to Verizon LEC since CIC is not passed

Definitions

Heading	Definition
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OPC	ORIGINATING POINT CODE
CLLI	CODE COMMON LANGUAGE LOCATION IDENTIFIER
BSA	BSA / FGA ACCESS NUMBER - EMI
OLRN	ORIGINATING LOCAL ROUTING NUMBER
OOCN	ORIGINATING OPERATING COMPANY NUMBER

Cavalier